



Jane Dee Hull
Governor

Phyllis Biedess
Director

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
MEMORANDUM

DATE: February 22, 2002

TO: Brenda Pearson
Kay Wingate

FROM: Barbara Ledder *BL*

SUBJECT: State Plan Amendment (SPA) Approval

Attached is your copy of approved SPA 01-17 which updates the State Plan by deleting the mention of lump sum and non-recurring lump sum payments. This SPA is effective January 1, 2002.

Please call me if you have any questions.

BL/bl

c: Diane Ross
Valerie Peterson
File

Attachment



DEPARTMENT OF HEALTH & HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES
REGION IX

62 FEB 13 11 53

75 Hawthorne Street
Suite 408
San Francisco, CA 94105

FEB 13 2002

Phyllis Biedess, Director
Arizona Health Care Cost Containment System
801 E. Jefferson
Phoenix, AZ 85034

Dear Ms. Biedess:

Enclosed is an approved copy of Arizona State plan amendment (SPA) 01-017, regarding the treatment of lump sum payments in determining eligibility under section 1931 of the Social Security Act. I am approving this SPA with the requested effective date of January 1, 2002.

If you have any questions, please have your staff contact Ronald Reepen at (415) 744-3601.

Sincerely,

Linda Minamoto
Associate Regional Administrator
Division of Medicaid

Enclosure

cc:
Joan Peterson, CMS, CMSO, FCHPG
Elliot Weisman, CMS, CMSO, PCPG (two copies)

*Please
process
& complete
LOG*

*Phyllis Branch
Lynn D.
C. Gonerit
file*

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: <u>0 1 - 0 1 7</u>	2. STATE: Arizona
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE January 1, 2002	

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

Section 1931 of the Act

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement 12 to Attachment 2.6-A,
pages 2 and 3

7. FEDERAL BUDGET IMPACT:

a. FFY 2001/2002 \$ 0
b. FFY 2002/2003 \$ 0

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

Supplement 12 to Attachment 2.6-A
pages 2 and 3

10. SUBJECT OF AMENDMENT:

Income and/or Resource Methodology

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Lynn Dunton

14. TITLE:

Assistant Director

15. DATE SUBMITTED:

December 24, 2001

16. RETURN TO:

AHCCCS
Mail Drop 4200
801 East Jefferson
Phoenix, Arizona 84035

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

December 31, 2001

18. DATE APPROVED:

February 13, 2002

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

January 1, 2002

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

Linda Minamoto

22. TITLE: Associate Regional Administrator
Division of Medicaid

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARIZONA

X The agency uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:

1. The \$90 cost of employment and \$30 and 1/3 earned income disregard will be allowed, with no time limit.
2. Dependent child's earned income will be totally disregarded provided the child is enrolled at least half the time in any recognized elementary, secondary, or post secondary school.
3. Dependent care deductions will be allowed as billed not to exceed the Title IV-A standard that was in place as of July 1996.
4. Exclude all resources.
5. The Fair Labor Standard Act "FLSA Supplement Income" payment by the State's TANF agency to Temporary Assistance to Needy Families (TANF) recipients engaging in uncompensated work activity, is disregarded as income.
6. The one time lump sum TANF grant diversion payment is disregarded as income and as resources.
7. Earned income received in the second and third month of eligibility is disregarded for recipients.
8. Eliminate the shelter cost factor when applying the income standard for the family size, thereby using the highest standard.
9. For applicants who meet the needs test and for all recipients, apply the existing \$30 and 1/3 earned income disregards or for all applicants and recipients, an income disregard equal to the difference between the income standard and 100% of the Federal Poverty Level for the family size, adjusted annually, plus one dollar, whichever is greater. Income eligibility will be calculated as follows:
 - a. Starting with the family's countable unearned and earned income, subtract from the earned income, the earned income disregards of \$90 cost of employment, \$30 and 1/3 of the remainder and appropriate dependent care expenses and compare the family's total net amount to 36% of the 1992 FPL income standard. If the net amount is less than the standard, the family is eligible under Section 1931 of the Social Security Act. If the net amount equals or exceeds the standard, complete a second step.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARIZONA

- b. Use the same methodology except for the \$30 and 1/3 earned income disregard, apply the 100% FPL income disregard to the family's net unearned and earned income and compare the net income amount to the income standard. If the net amount is less than the standard, the family is eligible under Section 1931 of the Social Security Act.

The income and/or resource methodologies that the less restrictive methodologies replace are as follows:

1. The 30% or \$30 and 1/3 earned income disregard, whichever is greater.
2. Part-time students are eligible for disregard only if working part-time.
3. Dependent care deductions are allowed as paid not to exceed the Title IV-A standard that was in place as of July 1996.
4. \$2,000 resource standard.
5. None. This supplement payment was first implemented by the State's TANF agency in July 1999.
6. None. The TANF Grant Diversion program was first implemented by the state in October 1999.
7. None
8. In effect as of July 16, 1996, the income standard was adjusted for a shelter cost factor.
9. In effect as of July 16, 1996, there was no additional income disregard if the family's net income, after applying all appropriate income disregards, met or exceeded the income standard.

____ The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.

- X The agency continues to apply the following waivers of provisions of Part A of Title IV in effect as of July 16, 1996, or submitted prior to August 22, 1996 and approved by the Secretary on or before July 1, 1997.